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ON PAGE A-25

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Former U.S. Attorney in Cleveland Is Indicted

WASHINGTON, Oct. 31 (UPI) — The former United States Attorney in Cleveland, dismissed earlier this month by President Reagan, was indicted today on charges of disclosing information about a sealed indictment to a friend.

A Federal grand jury in Baton Rouge, La., returned a one-count indictment against the United States Attorney, J. William Petro, the Justice Department announced. Mr. Petro, 44 years old, served in 1980 as the Reagan campaign's primary coordinator in Ohio. He was later appointed to the Federal post.

Mr. Reagan dismissed Mr. Petro

from office earlier this month after the Justice Department opened an investigation into allegations that he had disclosed information about an indictment pending as a result of an undercover operation by Federal agents.

The grand jury charged Mr. Petro transmitted to Howard Schulman information about the indictment, which concerned a scheme to defraud involving the sale of counterfeit merchandise.

Schulman a Lifelong Friend

Mr. Schulman was a lifelong friend of Mr. Petro and is also friendly with Stanley Moss, one of the people named

in the indictment that resulted from the undercover operation, according to the Government. The Government said a Federal judge on Aug. 1 ordered that the indictment of Mr. Moss and two others remain sealed until all defendants were arrested.

A week later, the indictment charged, Mr. Petro disclosed information about the indictment to Mr. Schulman "when such disclosure was not necessary for the issuance and execution of a warrant or summons."

Officials have said the undercover operation was still in progress at the time the information was transmitted, and the disclosure could have endangered the undercover agent.

It is the second time in the Reagan Administration that a United States Attorney has been dismissed.

In 1982, Mr. Reagan dismissed William H. Kennedy, the United States Attorney in San Diego, after he made what the Justice Department said were "improper comments about a pending criminal case, which were highly prejudicial to the interests of the United States."

Mr. Kennedy was quoted in a newspaper article as saying the Justice Department had withheld approval to indict a figure in a major car theft case because the Central Intelligence Agency believed he was an important source in Mexico.